

April 29, 2002

The Honorable Michael K. Powell Chairman Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

Re: CC Docket 99-273 et al. (Provision of Directory Listing Information, N11 Codes, etc.)

Dear Chairman Powell:

I am writing to voice Consumers Union's¹ support for opening the market to competitive Directory Assistance ("DA"). Consumers are likely to benefit when a number of providers compete on equal footing to bring DA services to the public. Currently, the incumbent local exchange carriers (ILECs) control the familiar 411 DA code. Providers of alternative DA services have not succeeded in bringing robust competition to the market because consumer familiarity with the 411 code makes it difficult for others to compete. In order to create real competition in this market, the Commission should allow presubscription to the 411 code, or create a new uniform dialing pattern for DA calls, where all providers can compete for customers in the absence of 411. Opening the DA market will give consumers access to more reliable, innovative, higher quality services, and will facilitate price competition.

Opening the market could result in many consumer benefits. First, consumers should enjoy more accurate directory assistance. Some surveys show that directory assistance operators give wrong information or no information in as many as one of three calls. These mistakes cost consumers millions of dollars per year.

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¹ Consumers Union is a nonprofit membership organization chartered in 1936 under the laws of the State of New York to provide consumers with information, education and counsel about goods, services, health, and personal finance; and to initiate and cooperate with individual and group efforts to maintain and enhance the quality of life for consumers. Consumers Union's income is solely derived from the sale of *Consumer Reports*, its other publications and from noncommercial contributions, grants and fees. In addition to reports on Consumers Union's own product testing, *Consumer Reports* (with approximately 4.5 million paid circulation) regularly carries articles on health, product safety, marketplace economics and legislative, judicial and regulatory actions which affect consumer welfare. Consumers Union's publications carry no advertising and receive no commercial support.

Second, allowing the ILECs, especially the Regional Bell Operating Companies (RBOCs) to have control of an identifiable directory assistance number (*i.e.*, 411) allows them to leverage their local telephone service into an area where competition might otherwise flourish. Allowing the RBOCs to control 411 permits them to offer consumers poor service for high prices.

Finally, we believe directory assistance services are capable of producing much greater consumer value than just finding a telephone number. Competition should lead to the emergence of innovative products tailored to the needs of specific communities and customers, such as foreign language searches.

There is a high brand awareness for DA services provided via 411 in the U.S., which is currently reserved for DA services provided by the ILECs. Opening 411 is necessary to bring consumers the benefits of competition.

Respectfully,

Chris Murray

Internet & Telecommunications Counsel

Consumers Union